



DEPARTMENT OF HUMAN RESOURCES
SENIOR & DISABLED SERVICES DIVISION
500 Summer Street NE
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Phone: (503) 945-5811

AUTHORIZED BY: _____

**SDSD Administrator/Deputy/
Assistant Administrator**

INFORMATION MEMORANDUM

SDSD-IM-00-20

Date: February 15, 2000

TO: SDSD District and Unit Managers
Area Agency on Aging Directors
Employment Initiative Specialists
Housing Specialists/Planners

SUBJECT: February 2000 Housing Update

INFORMATION:

Here is an update of current housing information and activities which may be helpful to you as you work with clients needing housing and as you participate in local and state-wide planning.

Just a reminder that I am also interested in feedback on local housing and transportation needs and issues. I will be providing periodic information about funding and coordination opportunities. However, it can also be helpful if I have information about the needs in your communities as I advocate for resources.

I hope this information is helpful. Let me know if you have suggestions or questions on helpful information to share.

CONTACT PERSON: Lee Girard, Housing and Social Supports Developer

CONTACT NUMBER: (503)947-1199

FAX NUMBER: (503)373-7902

attachments

HOUSING UPDATE

February 2000

New Guidance on Exclusion of the Earned Income Tax Credit (EITC) as "Income" for HUD Rental Assistance Programs

National studies indicate that 20% of the eligible families may not be claiming the EITC in their tax returns. For people with disabilities who are working the EITC allows them to keep more of their income. Even if a person's income is so low they don't pay taxes he/she may still be eligible for the EITC. Working adults with children may receive a return of more than \$300 each month from claiming the EITC.

Regional HUD Program Managers have developed guidance on the treatment of the EITC in calculating eligibility and tenant rent for HUD assisted renters. Following is a summary of the HUD guidance:

1. EITC does not count as income for purposes of determining initial income eligibility for HUD Rental Assistance programs.
2. EITC is not counted for purposes of determining tenant rent payment.
3. Even if the tenant paid no income tax, but received an EITC refund or advance payment, the EITC payment still does not count as income for eligibility or tenant rent payment purposes.
4. The underlying employment that creates the eligibility for the earned income credit continues to be reported by the tenant. Increases in income (other than the EITC itself) will continue to be handled in accordance with outstanding instructions.
5. Any deposit into an interest bearing account from either one time or monthly EITC proceeds is subject to the same disclosure requirements and income generated is to be treated like any other investment income.

For more information on the EITC and the new HUD guidance see the following web-sites: <http://www.hud.gov/local/por/guidanceEITC.html> and <http://www.ocpp.org/tc/index.htm>.

Oregon Housing Authorities Receive Additional Funding to Help Elderly and People with Disabilities Continue Living Independently at Home

Oregon has received \$218,197 in grants from Housing and Urban Development (HUD) to help low-income elderly people and people with disabilities get health care, meals and other supportive services they need to continue living in HUD-subsidized housing. Public housing authorities will use the Resident Opportunities Self-Sufficiency Program funds to employ service coordinators who will help the elderly and people with disabilities in HUD housing get the supportive services that enable them to live independently. The service coordinators will act as community service liaisons.

Zero Down Home Loans Available for Rural Homebuyers

Oregon Housing and Community Services (OHCS) and the United State Department of Agriculture, Rural Development have teamed up to offer rural Oregonians more than \$30,000,000 in zero down home loans (100% financing) at below-market interest rates.

OHCS's Residential Loan Program is a below-market rate home loan program made possible through the sale of tax-exempt mortgage revenue bonds. In 1999, it helped 1,882 families purchase a home of their own. Currently, OHCS is offering an interest rate of 7.25 percent with a 1.75 percent loan fee plus closing costs.

To be eligible for the Residential Loan Program, a household's annual income must not exceed \$45,100 statewide; \$52,400 for Benton, Clackamas, Columbia, Multnomah, Washington or Yamhill counties.

To be eligible for the Guaranteed Rural Home Loan program the properties being financed must be located in a rural area, the income limits for a household will vary depending upon the household size and the borrower will need to meet certain program requirements.

For either of these programs interested homebuyers should contact one of OHCS's participating lenders to see if they qualify. Attached is a program brochure and a list of the participating lenders. People can also call the OHCS loan hotline at (503)986-2015 or visit their website at <http://www.hcs.state.or.us/housing/homebuying/>.

Manufactured Dwelling Park Ombudsman Program

There are approximately 1,500 manufactured dwelling parks in Oregon and more than 60,000 dwelling spaces. The majority of these spaces are occupied by seniors. Residents of these parks are in a unique position because they own their homes but pay rent for the space their home occupies. The old phrase "mobile home park" really does not apply to these parks as the homes are generally placed permanently and it would cost a family thousands of dollars to move their to a new sight. This is further complicated by a state-wide shortage of manufactured home spaces.

To address the vulnerable position of these homeowners the Oregon Housing and Community Services Department (OHCS) administers the Manufactured Dwelling Park Ombudsman Program (MDPO). The MDPO has three main purposes:

1. Assist park owners and residents in resolving concerns associated with their parks and living situations through informal dispute resolution;
2. Provide general information about Oregon Law, Chapter 90, Chapter 446 and other related chapters; and
3. Gather information for legislators, the public and others about manufactured dwelling park living.

To contact the Manufactured Dwelling Park Ombudsman Program, please call (503)986-2000 or (800)453-5511; write to OHCSD, 1600 State St., Salem OR 97301-4246; or visit the department's web site at <http://www.hcs.state.or.us>.



HOME

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Oregon Housing and Community Services



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| DOCUMENT LIBRARY | NEWS RELEASES

STATE OF OREGON
GENERAL INFO
OHCS' DIRECTOR
WHAT'S NEW?
PROGRAMS
PUBLICATIONS
DATA & RESEARCH
DOCUMENT LIBRARY
EMPLOYMENT
FINANCIAL NEWS
Y2000 READINESS
OUR PARTNERS
OUR LOCATION
HOUSING COUNCIL
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Homebuying Programs

Participating Lenders

Once you complete a homebuyer training course you may be ready to meet with a Participating Lender. The lender will help you determine how much home loan you can afford. "Shopping for a house without getting pre-qualified, is like shopping for groceries without knowing how much money you have to spend," Howard Nolte, Executive Director of HOST Development (Portland).

Make an appointment with one of the Participating Lenders [shown below](#) to see if you qualify for OHCS's Residential Loan Program and to figure out how much home you can afford to finance. The lender will also estimate the amount of cash you will need to close your loan and may also be able to pre-approve your loan so that you can shop for a home with confidence. It is also a big help to know roughly how much cash you need to close your loan. Many loan programs allow the seller to pay a portion of the closing costs or for them to be paid by a gift from a family member. Ask your lender for details.

[HOME](#) | [What's New](#) | [Programs](#)
[Document Library](#) | [Employment](#) | [Y2K Readiness](#)



Top

Our Interest Rate
is 7.25 % !

Homebuying

Home Loans -
[Residential Loan Program](#)

INSIDE HOME BUYING

Downpayment and
Closing Cost Assistance

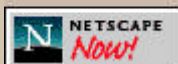
Homebuyer Training

Participating Lenders

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Brochures

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[Webmaster](#)

For More Information:

Loan

Specialists:

[Craig Tillotson](#)

(503) 986-2037

[Kari Cleveland](#)

(503) 986-2046

Secretary

[Michelle-Lisa](#)

[Brandner-Hegney](#)

(503) 986-2047

Homebuying

Program Manager

[Jon Gail](#)

(503) 986-2041

Lenders

*AccuBanc Mortgage Corp ATTN: Andrew Heath 503-255-1356	Key Bank ATTN: Nancy Johnson 503-795-6038	
All Pacific Mortgage Co ATTN: Norm Kremer 503-646-3900	*Liberty Federal Bank ATTN: Kathy Smith	*Republic Mortgage Corp ATTN: Gary Lucich

	1-888-833-4633 X4860	208-336-0330
Bank of America Oregon 1-800-925-3333	M & T Mortgage Corp ATTN: Theresa Fenton 1-800-234-8882	* Security Bank ATTN: Ronald A Harwood 541-269-2016
Bank of the Cascades ATTN: Frank Wheeler 541-385-9933	Mann Financial ATTN: Duane Johnson 541-564-6154	* Siuslaw Valley Bank/Northwest Funding ATTN: Carl Hultenbe 541-683-2400
CTX Mortgage Company ATTN: Mike Russell 503-245-8640	* Mission Hills Mortgage Corp ATTN: Robert Doell 1-800-880-1853	* South Umpqua St Bank ATTN: Sharm Reed 541-440-3916
Centennial Mortgage Company, Inc. ATTN: Joni Betz 541-342-3971	National Funding Service Inc ATTN: Mary Pawol 541-858-5888	* South Valley Stat Bank ATTN: Vergie Wright Stepahin 541-885-3135
* Chase Manhattan Mortgage Corp. ATTN: Nancy Fah 1-800-775-3335	* National Pacific Mortgage Corp ATTN: Mary Linton 1-800-640-4773	* US Bancorp Home Loans ATTN: Mark Sahli 503-275-3981
* Commonwealth-United Mortgage ATTN: Peter Ariniello 503-727-5500	* North American Mortgage Co 503-636-5911	Washington Mutual Bank ATTN: Brian Stewart 503-238-3246
* Continental Mortgage Company 503-244-9294	* Norwest Mortgage Inc ATTN: Francene Grewe 503-248-2201	* West Coast Bank ATTN: Barb Shedder 503-399-3959
* Countrywide Funding Corporation ATTN: Beth Anne Walsh 503-646-5648	* Norwest Mortgage Inc ATTN: Betty Patterson or Lillian Watson 503-654-9171	Western Bank ATTN: Patty Rumbat 1-800-234-4307
* Crossland Mortgage Corp ATTN: Scott Noakes 503-452-0025	Orchard Bank ATTN: Lorene Buckway 541-889-8606	
First Indiana Bank ATTN: Mary Jo Rueck 503-670-9111	PHH Mortgage Services ATTN: Liz Rudolph 1-800-446-0964 ext 6917	
* First Security Bank of Oregon ATTN: Hank Miller 503-945-2324	* Portland Mortgage Co ATTN: Teresa Bright 503-653-0303	



Fortress Mortgage Inc.
ATTN: Darren Bates
1-877-993-0435

*** Inland Empire Bank**
ATTN: Rich Leboeuf
541-564-4228

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(Rev. 09/14/99) * **Approved Guaranteed Rural Housing Lenders**

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What is the Residential Loan Program?

Many Oregonians are increasingly finding that safe, decent and affordable housing is beyond their reach. Oregon Housing and Community Services Department (OHCS) is working to increase the availability of affordable housing through the Residential Loan Program.

The Program is designed to overcome the barrier of high mortgage interest rates many lower income Oregonians face when trying to purchase their first home.

This brochure provides a summary of OHCS's Residential Loan Program and, although it is not all inclusive of program requirements, a Participating Lender (provided on the enclosed insert) will gladly provide additional assistance, or you may call us at (503) 986-2015 for the current interest rate.



**Oregon Housing and
Community Services**
1600 State Street, Salem, OR 97301-4246

Residential Loan Program



Oregon Housing and Community Services

1600 State Street
Salem, OR 97301-4246
(503) 986-2015
FAX (503) 986-2125
TTY (503) 986-2100
www.hcs.state.or.us



Bob Repine
Director



How Does the Program Work?

Oregon Housing and Community Services Department is a state housing finance agency. The Department periodically issues mortgage revenue bonds to fund lower than market interest rate mortgage loans for below-median income homebuyers in Oregon. Please call us at (503) 986-2015 for the current interest rate.

Once the home you wish to buy is selected and you have entered into an "earnest money agreement" with the seller, you may apply for our loan through one of the participating lenders (see enclosed insert).

Upon acceptance of your loan application, the lender will call the Department to reserve loan funds for you. Funds are reserved for qualified homebuyers on a first-come, first-served basis. The participating lender will process your loan according to underwriting procedures established by the U.S. Department of Housing and Urban Development, Rural Development, or another qualified mortgage insurer, and this Department. After the mortgage has been approved and closed, we may purchase the mortgage to hold as a long-term investment.

Eligibility Requirements

To apply, you must be a qualified homebuyer with an annualized gross **household income** that does not exceed the Program's applicable income limits (effective 2/26/99): \$45,100 statewide; and \$52,400 if the property being purchased is located in **Benton, Clackamas, Columbia, Multnomah, Washington** or **Yamhill** counties.

You must be a first-time homebuyer or not have owned *and* occupied a primary residence at any time during the three-year period prior to the date you sign your note and mortgage. This requirement is waived if the property being purchased is located in a Targeted Area and the borrower transfers any residential property previously owned prior to closing the Program Loan. These Targeted Areas include all of Baker, Clatsop, Coos, Crook, Harney, Jefferson, Josephine, Klamath, Lake, Malheur, Union, Wallowa, and Wheeler Counties; cities (within the city limits) of Ashland, Milton-Freewater, Myrtle Creek, Port Orford, Silverton, Turner, and Vernonia; and portions of Albany, Eugene, Medford, and Portland.

You must be (or intend to be) an Oregon resident, and you must agree to occupy the home being purchased as your primary residence.

*Let us help you own
your own home!*

Types of Loans Available

All loans under this Program must be insured under a program of the Federal Housing Administration (FHA), guaranteed by Rural Development, or a conventional loan insured by a qualified mortgage insurer approved by the department. The maximum loan amount will be based on the appraised value of the property or purchase price, whichever is less. Conventional loans which close with a loan-to-value of 80% or less, do not require mortgage insurance. These funds **may not** be used to refinance an existing home loan.

Loan Terms - The mortgage loan term on site-built homes is 15 to 30 years and is the same for manufactured housing permanently located on a lot owned by the borrower if the respective mortgage insurer insures the unit to 30 years. Manufactured housing must meet the appropriate insurers' requirements, which includes a manufacture date after June 14, 1976, and has a living area of at least 400 square feet.

Standard down payments and qualifying ratios are acceptable. Normally, no more than 29% of the gross monthly income should be committed to monthly housing expenses (principal and interest payment, property tax and insurance escrows, mortgage insurance premium and homeowners association fees, if applicable). As applicable, the Mortgage Insurance Premium (MIP) and allowable closing costs may be added to the loan amount as long as the loan is insurable. The department will not purchase a program loan where the applicant has been discharged from bankruptcy within the past two years.

Maximum loan fees and discounts - The loan origination fee and discount will vary with each loan, but in all cases the combined loan origination fee and discount points together may not exceed 1.75% of the amount of the Note.

Property Requirements

Program funds may be used to purchase eligible housing located anywhere in Oregon. The funds may be used for either newly constructed (not previously occupied) or existing homes. Eligible housing may include site-built homes, qualified condominiums, units in a qualified Planned Unit Development, and manufactured housing permanently affixed to acceptable foundations.

The Department has established purchase price limits which reflect differences in local housing markets by county. Depending on the location and type of home being purchased, the purchase price (Acquisition Cost) limits are as follows:

County	New Construction		Existing Homes	
	Targeted Area	Non-Targeted Area	Targeted Area	Non-Targeted Area
Benton	N/A	\$185,902	N/A	\$135,712
Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$257,363	\$210,570	\$174,578	\$142,836
Jackson	\$227,213	\$185,902	\$136,108	\$111,361
Lane	\$227,213	\$185,902	\$136,453	\$111,643
Marion & Polk	\$227,213	\$185,902	\$122,922	\$100,572
All Other Counties	\$227,213	\$185,902	\$107,306	\$ 87,795

Income Calculations

The income calculation method described below is for the purpose of determining eligibility for a Residential Loan Program loan. It is a different process than the one which will be used by your lender for credit underwriting.

After you have determined your total "Annualized Gross Household Income", please review the applicable maximum income limits located in this brochure. If your "Annualized Gross Household Income" is below the maximum limit, contact one of our participating lenders to find out if you meet their underwriting criteria. A list of participating lenders is included in this brochure.

Complete the information below for each member (18 years and older) of the household. Do not include income from a dependent who is 18 years or older and is a full-time student at an accredited college, unless the student is a spouse of one of borrowers or a co-borrower on the loan.

Current Monthly Income from:*

Gross Pay	\$ _____
Overtime/Part-time Pay	\$ _____
Bonuses/Commissions/Tips	\$ _____
Dividends/Interest/Royalties	\$ _____
Pensions/Social Security	\$ _____
Veterans Affairs Benefits	\$ _____
Net Rental Income	\$ _____
401(k)/Deferred Income Plans	\$ _____
Alimony/Child Support/ Separate Maintenance	\$ _____
Sick Pay	\$ _____
Unemployment Compensation	\$ _____
Public Assistance	\$ _____
Trusts/IRAs	\$ _____
Business Activities or Investments	\$ _____
Any Other Income	\$ _____
 Total Monthly Income	\$ _____
Multiply by 12	\$ _____ X12

Total Annualized Gross Household Income

\$ _____

* Completion of this sheet is not a lender requirement and does not guarantee loan approval.

